



Department of Energy

Bonneville Power Administration
P.O. Box 3621
Portland, Oregon 97208-3621

ENVIRONMENT, FISH AND WILDLIFE

November 20, 2002

In reply refer to: KEWS

Dear Fish and Wildlife Contractor,

As you may know, Bonneville Power Administration (BPA) policy is to make every effort to ensure that fish and wildlife projects funded by ratepayers achieve the maximum biological benefits at the least cost. This policy has been stated publicly on many occasions and in many forums. BPA is now facing one of the most challenging financial crises in its history. This fact has added new urgency to implementing improved efficiencies in its fish and wildlife contracting procedures as well as other programs agency-wide.

In working with your BPA project manager on contract renewals please be aware that this guidance has been given to them as standards for contract renewal. Specifically, fish and wildlife contractors will use the following standards when preparing budgets for Fiscal Year (FY) 03 contract renewal:

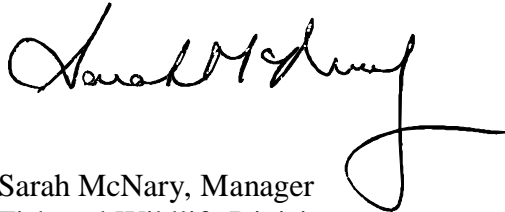
- § Eliminate 10% rule that enables "budget creep" above approved project budget.
- § Eliminate all "carry over" (contracted project balance). Set FY 03 budget consistent with BPA decision document/Northwest Power Planning Council (Council) recommendations, which are similar in most instances.
- § Eliminate the 3.4% Cost of Living Adjustment (COLA) Rule. For the interim until we have an agreed upon start of year FY 03 Budget, use the BPA FY 02 contracted amount for FY 02 rather than assuming any amount for a COLA.
- § Be sure to include a section in the Statement Of Work (SOW) that explains/details the travel and potential training costs in the budget. These must be directly connected to the project proposal as submitted in the Provincial Review Process and as recommended by the Council.
- § Travel must be associated with implementation of the project and clearly explained in the SOW and detailed in the budget.
- § Training must be essential for implementation of the project and specifically identified in the project proposal. There must be a clear tie between the training and the work described in the objectives and tasks.
- § Conferences will not be paid for under BPA contracts. All conference attendance and associated travel is to be covered by the contractor.

- § Scrutinize housing and equipment purchases to achieve scope of the project.
- § Extend the life cycle of equipment such as computers, printers, vehicles, boats, etc. In other words, postpone replacement of this equipment as long as possible without jeopardizing safety and/or project scope integrity.

If you are unsure of any of this guidance as you prepare a new SOW and budget for FY 03, please talk with your BPA contract manager/Contracting Officer's Technical Representative (COTR) for clarity. For detailed information about BPA COTR roles and responsibilities, please refer to the Bonneville Purchasing Instructions available online at <http://www.bpa.gov/Corporate/Kgp/bpi/bpi.htm>). Please keep in mind that BPA Contracting Officers have the final authority for contract renewal commitments and acceptance.

We will soon provide additional reporting guidelines to you for projects that are anticipated to meet Biological Opinion requirements. This information is critical for BPA to verify the performance of offsite mitigation measures during our 3, 5, and 8-year check-ins with the National Marine Fisheries Service and US Fish and Wildlife Service.

Sincerely,

A handwritten signature in black ink, appearing to read "Sarah McNary", with a long, sweeping horizontal stroke extending to the right.

Sarah McNary, Manager
Fish and Wildlife Division